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GOVERNOR DENOUNCES TENNCARE COURT RULING

NASHVILLE - Gov. Don Sundquist today vowed to pursue every possible course of action to overturn a federal court ruling that bans the state from taking ineligible people off TennCare, guts the new TennCare waiver and will wreak havoc on the state budget.

Federal District Court Judge William J. Haynes Jr. issued the decision late Wednesday in a longstanding lawsuit regarding TennCare eligibility. His decision in the Rosen case effectively halts the implementation of the new TennCare waiver adopted earlier this year by the Sundquist administration, the Bush administration and the Tennessee General Assembly.

The order further calls for the reinstatement of every person disenrolled from TennCare, regardless of eligibility or possession of private health insurance, since July 1. TennCare is the state's managed-care health insurance program for people who are poor, disabled or uninsured.

"This decision ignores the clear mandate of the General Assembly and the waiver granted by the Bush administration," Sundquist said. "If it remains in effect, it will cost the state at least \$300 million this fiscal year, and TennCare as we know it may cease to exist, putting some 500,000 Tennesseans at risk of losing their health-care coverage."

The court order also prevents the state from implementing a revised benefit structure January 1, 2003. The benefits revision, which was carefully negotiated with the federal government, is an essential element in TennCare affordability. Since the implementation of the new TennCare waiver last July, the state and its consumer advocates began a massive effort to reverify all non-Medicaid TennCare members.

John Tighe, deputy to the governor for health care policy, said, "We have worked tirelessly for more than two years to implement a health insurance program that balances the fiscal realities of the state budget with the health care needs of the sickest and poorest Tennesseans. We worked even harder to make sure that the people who are eligible for TennCare stay on the program and that those who are ineligible come off."

To view a copy of the ruling or review more information, please visit www.state.tn.us/tenncare/rosen.htm.